Claims: I claim:

1. A method for devising an option contract so that said contract's value is determined by a formula,
   whereby financial leverage can be achieved in a way that is easier to understand, more cost effective, and more certain than by using traditional options.

    2. The contract of claim 1 that derives its value from any type of financial asset, commodity, or real or personal property.

    3. The contract of claim 1 that is traded between two parties using the physical location or electronic trading mechanism of a third party.

    4. The contract of claim 1 that is used to compensate managers and other employees by granting them a financial claim on the stock or debt of a business.

    5. The contract of claim 1 that is included as one or more provisions of some other type of contract.

6. A method for devising a contract that resembles an option contract except that:
   (a) said contract's value is determined by a predefined formula,
   (b) said contract does not permit the holder to force the delivery of the underlying asset by paying the exercise or strike price,
   whereby financial leverage can be achieved in a way that is easier to understand, more cost effective, and more certain than by using traditional options.

    7. The contract of claim 6 that derives its value from any type of financial asset, commodity, or real or personal property.

8. The contract of claim 6 that is traded between two parties using the physical location or electronic trading mechanism of a third party.

9. The contract of claim 6 that is used to compensate managers and other employees by granting them a financial claim on the stock or debt of a business.

10. The contract of claim 6 that is included as one or more provisions of some other type of contract.

11. A method for devising a contract that is used to compensate a company's managers and employees that resembles an option contract in every respect except that:
   a. said contract's value is determined by reference to a predefined formula,
   b. said contract may or may not permit the holder to force delivery of the underlying asset by paying the exercise or strike price,

   whereby financial leverage can be achieved in a way that is easier to understand, more cost effective, and more certain than by using traditional incentive stock options.

12. The contract of claim 11 that is structured as one or more provisions in any type of contract.

13. The contract of claim 11 that derives its value from any type of financial asset, commodity, or real or personal property.

14. A method for devising a contract that is traded on an exchange that resembles an option contract in every respect except that:
   a. said contract's value is determined by a predefined formula,
   b. said contract may or may not permit the holder to force delivery of the underlying asset by paying the exercise or strike price,

whereby financial leverage can be achieved in a way that is easier to understand, more cost effective, and more certain than by using traditional options.

15. The contract of claim 14 that derives its value from any type of financial asset, commodity, or real or personal property.